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TAGS: [EAID](#) [EINV](#) [ETRD](#) [PGOV](#) [PREL](#) [EFIN](#) [IZ](#) [GM](#)
SUBJECT: IRAQ/US/UK JOINT DEMARCHE ON IRAQ COMPACT;
GERMAN-IRAQI ECONOMIC ENGAGEMENT

REF: SECSTATE 165112

Classified By: Minister-Counselor for Economic Affairs Robert F. Cekuta
for Reasons 1.4 (b) and (d)

11. (C) Iraqi Embassy Counselor Qais Naif Abboud and Attache Bashar F. Al-Bander, UK Embassy Poloff Neil Holland, and Global Affairs Officer jointly delivered ref demarche October 16 to MFA Iraq Working Group Chief Ruediger Lotz and two of his staff including desk officer Christofer Burger. Abboud asked for more German engagement in Iraq and sought German training in Iraq because the north, the south, and other parts of Iraq outside of Baghdad were safe. UK PolOff Holland said he was familiar with the "version zero" draft of the Iraqi Compact and said there was more Germany could do in Iraq especially in the context of its upcoming 2007 EU and G-8 presidencies. Global Affairs Officer noted reftel's request for additional financial support and for other countries to host Iraq Compact meetings and pointed out that the two presidencies might be a particularly suitable time for Germany to host an Iraq Compact meeting; Abboud agreed.

12. (C) Lotz responded Germany would continue to be engaged in Iraq and mentioned ongoing discussions about resumed police training and ongoing assistance via two German political foundations to those in Iraq drafting proposed changes to the Constitution. Lotz mentioned Germany would open an honorary Consulate in Arbil in November. On economic ties, Lotz and Abboud recalled the recent visit to Germany of Deputy Prime Minister Salam Al-Zawba'i and his delegation, including the Construction Minister and the Industry Minister, which had expanded German-Iraqi commercial ties (see below). Lotz presented a one-page German paper with points for insertion in the Iraq Compact. Lotz said the paper is also being conveyed by the German Embassy in Baghdad. The proposal is to the Iraqi Compact's section 4.6 ("Education, Culture, and Civil Society"). Post is faxing the document to NEA/I and EUR/AGS.

Other German Involvement in Iraq

13. (C) MFA Iraq desk officer Burger talked separately with Global Affairs Officer about the Sept 19 visit of the Deputy PM. Burger said Al-Zawba'i has warm feelings for Germany because he did some study here in his youth and had told the German Ambassador in Baghdad he wanted Germany to be his first foreign trip. Al-Zawba'i brought the Construction and Housing Minister, the Industry Minister, and the Deputy Electricity Minister. The delegation met MFA State Minister Erler, Economics Minister Glos, and Interior Ministry State Secretary Hanning. Burger said the delegation appeared

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"heavily Sunni" and that some businessmen in the delegation were known to have connections with extremists. Burger said their coming to Germany was in part to thank them for their help in getting German hostages released and obtaining the

bodies of Germans officials killed in Iraq. Burger said Al-Zawba'i attended a bilateral economic conference September 19 which was largely organized by the German Federation of Industries (BDI); attendance was good among those German companies already engaged in business in Iraq. No new contracts were signed, however.

¶4. (C) On police training, Burger reported Iraq sent Germany a list in mid-September listing Iraqi training needs. Included are training in the DNA analysis of bodies that need to be buried before there is time to identify them and training in explosive ordnance disposal. Burger said a one million dollar ordnance disposal robot is still in Berlin, awaiting a Government of Iraq decision naming three Iraqi officials to receive training on its use. Germany is still considering its response to the Iraqi letter, but Burger was certain training will resume in the UAE.

¶5. (C) In a separate meeting to discuss German-Iraqi economic engagement, Hans-Dieter Spohn, Head of Division for the Ministry of Economics' Northern Africa, Near and Middle East Office, told Econoff Germany is considering reviving the former Germany-Iraq Economic Commission. The German government sees the body, which existed under the previous Iraqi government until 1993, as a way to resume economic ties with the Iraqi government and re-establish a forum for fostering commercial and business ties. Germany has also supplied an English version of the draft agreement to the Iraqi Embassy. The German MFA is examining the text of the document to assess the legal issues associated with reviving such an agreement, Spohn said. He added that the Economic Ministry has its reservations, however, about resuscitating this Commission due to the security situation on the ground. He also questioned the value-added of having another minister-level commission. Nevertheless Germany is still looking at re-establishing the Commission as a possible way

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to boost ties with the new Iraqi Government.
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